

Colorado Governor's E-85 Coalition Mtg. with General Motors, Valero and CleanFuelUSA

Exploring a partnership to optimally and maximally
spread E-85 refueling infrastructure across Colorado

July 27, 2006

Reasons for forming E-85 Coalition

Among many, we vowed to:

- Help offset foreign oil purchases and keep dollars in Colorado and the US
- Provide businesses and individuals with more opportunities to purchase renewable fuels
- Improve economic opportunities for rural Colorado and the US
- Educate people and vehicle sales people about the benefits and capabilities of FFVs
- Help reduce some airborne pollutants and generally improve visibility within air sheds
- Increase availability of renewable fuels by encouraging infrastructure for other biofuels.

Makeup of Coalition

Membership is made up of representatives of all the groups comprising the ethanol “industry:”

- Producers
- Distributors
- Small service stations
- Large service stations
- Environmentalists
- Local government
- Federal government
- Media
- Air quality
- Agriculture
- Vehicle sales
- Economic development
- Consumers
- Oil
- Fleet owners/operators

First new E-85 station to open

Hill Petroleum Sinclair station, at 6291 Ralston Road, Arvada, CO. 80002 (Scheduled opening: early September)

- Our thrust to feature a first-on-the-ground effort by the E-85 Coalition (partially funded by the Coalition)
- Featuring new infrastructure for both E-85 and biodiesel

Media highlights will feature:

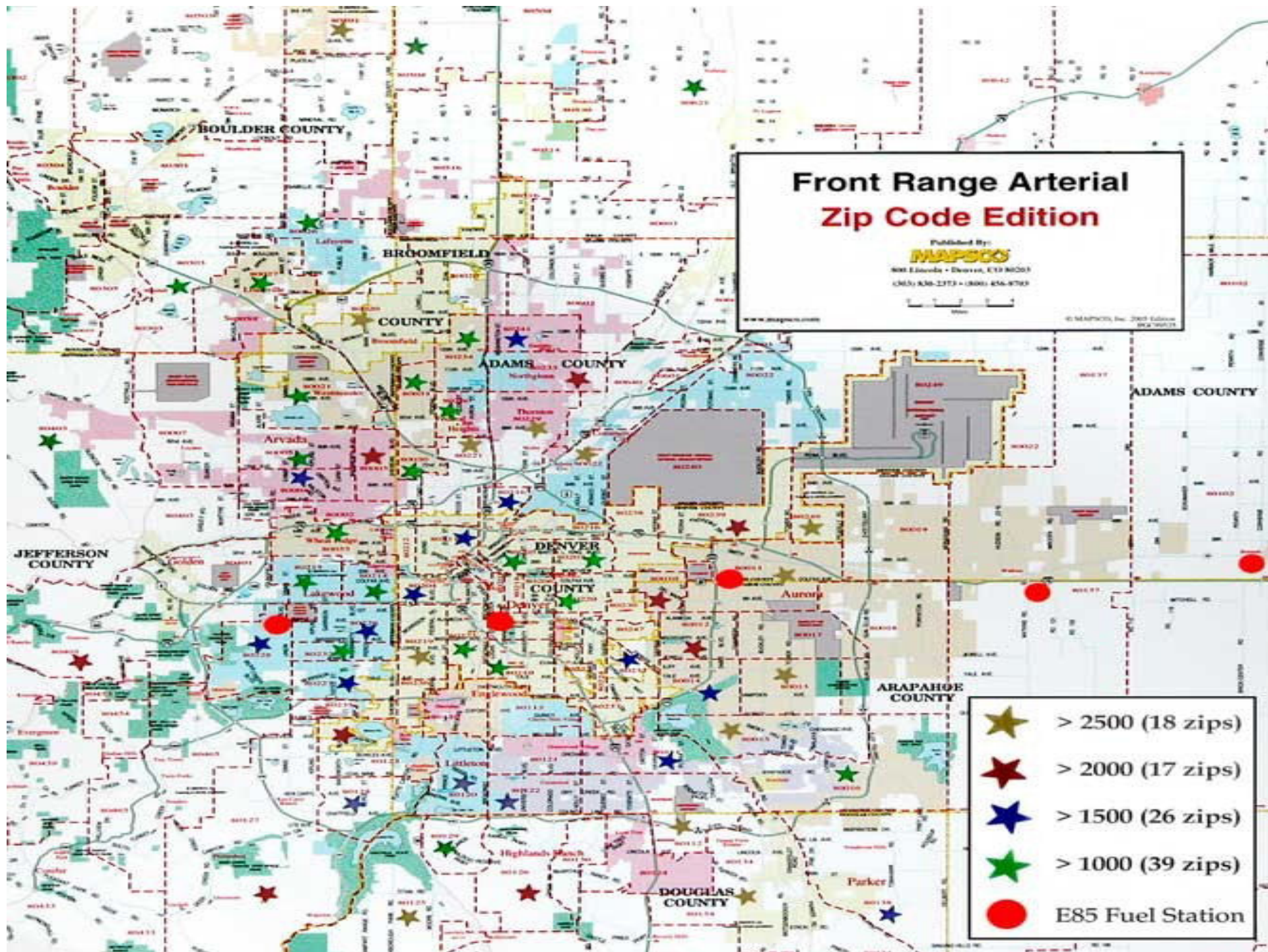
1. a ribbon-cutting ceremony at the station;
2. the E-85 Coalition and our partners (if timing and agreements are appropriate); and
3. Coalition plans/intentions for future refueling infrastructure additions/changes

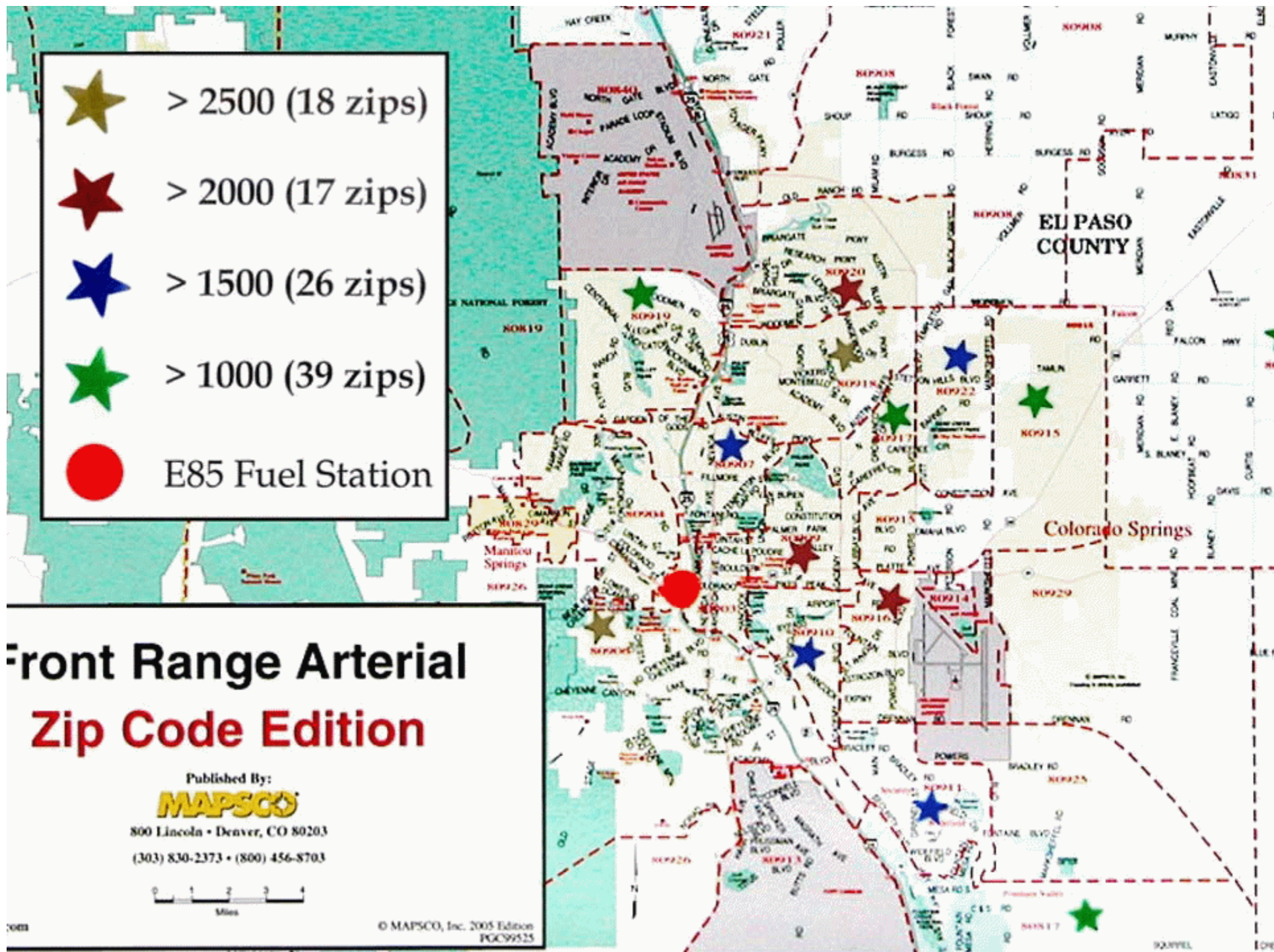
This new station will be the 11th Colorado E-85 station available to the public

Number and locations of existing FFVs (ZCA maps)

- Roughly 300,000 FFVs in Colorado - 40% are found in under 6% of the Zip Code Areas (ZCA)
- Three metro areas have substantial numbers:
 1. Fort Collins – North of Metro Denver about 50 miles
 2. Metro Denver
 3. Colorado Springs – South of Metro Denver about 40 miles

Note: The amount of gasoline sold in Colorado for 2005 was roughly 2.2 billion gallons. The amount of ethanol sold in Colorado for 2005 was 116 million gallons.





Corridor definitions

- Numerous potential “corridors” exist – given spread of FFVs within the front range
- Best likelihood is for alignments along Interstates 25 and 70 and others; along other major high speed, high volume roadways and along other major thoroughfares and major intersections within ZCAs with the greatest concentrations of FFVs

Colorado’s inventory of Diamond Shamrock stations offer a substantial promise of providing several corridor opportunities

Colorado Diamond Shamrock stations

- They number 229
- 72 of those (nearly 33%) are in ZCAs housing high concentrations of FFVs
- All 72, as expected, are on major thoroughfares and near major intersections

Available tax credits from State

- 35% through 12/31/2008 (20% after that, through 12/31/2010)
- 1.25 multiplier (effectively yielding a 43.75% credit) for facilities accessible to others besides party receiving credit
- Credit is limited to \$400,000 for any consecutive five year period for each refueling facility
- Doesn't apply after a credit is taken if the facility is updated or expanded
- An allowable credit that exceeds tax liability may be carried forward, up to five years
- A credit cannot be claimed on a facility if any taxpayer has ever previously claimed the credit on that facility
- By direct mention, any funds OEMC contributes are not eligible for a credit

Available OEMC funds and timing for use of funds

- Total available OEMC funding of \$300,000
- Funding used is not State funds and is considered non-Federal funding